

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

WASSERMAN, JURISTA & STOLZ, P.C.

110 Allen Road, Ste. 304

Basking Ridge, New Jersey 07920

Phone: (973) 467-2700

Fax: (973) 467-8126

*Counsel to Emergency Medical Consultants of
South Jersey, LLC and*

JEMA Physician's Service, LLC.

DONALD W. CLARKE, ESQ.

In Re:

EOGH LIQUIDATION, INC. (f/k/a East Orange
General Hospital, Inc.), et al.

Debtors.

EMERGENCY MEDICAL CONSULTING OF
SOUTH JERSEY, LLC and JEMA
PHYSICIAN'S SERVICE, LLC,

Plaintiffs,

v.

EAST ORANGE GENERAL HOSPITAL, INC.,
et al.

Defendants.



Order Filed on August 22, 2016

by Clerk

Case No. 15-31232-VFP
(Jointly Administered) **U.S. Bankruptcy Court
District of New Jersey**

Chapter 11

Hon. Vincent F. Papalia

Adv. Pro. No.: 16-01070-VFP

STIPULATION AND CONSENT ORDER WITH RESPECT TO:
(I) ESTIMATION OF THE PLAINTIFFS' PROOF OF CLAIMS
FOR VOTING PURPOSES;
(II) TREATMENT OF THE ADVERSARY PROCEEDING AFTER THE
EFFECTIVE DATE OF THE PLAN;
AND
(III) RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

Dated:

DATED: August 22, 2016

A handwritten signature in black ink, appearing to read "Vincent F. Papalia".

Honorable Vincent F. Papalia
United States Bankruptcy Judge

Debtor: East Orange General Hospital, LLC
Case No.: 15-31232 (VFP)
Adversary No.: 16-01070 (VFP)
Caption: STIPULATION AND CONSENT ORDER WITH RESPECT TO: (I) ESTIMATION OF THE PLAINTIFFS' PROOF OF CLAIMS FOR VOTING PURPOSES; (II) TREATMENT OF THE ADVERSARY PROCEEDING AFTER THE EFFECTIVE DATE OF THE PLAN; AND (III) RELATED RELIEF

This matter having been presented to the Court upon the subjoined consents of EOGH Liquidation, Inc. (f/k/a East Orange General Hospital, Inc.), one of the above captioned debtors and debtors-in-possession ("EOGH" and, together with EVHI Liquidation, Inc. (f/k/a Essex Valley Healthcare, Inc.), the "Debtors"), in jointly-administered Chapter 11 cases pending before the United States Bankruptcy Court for the District of New Jersey, Case No. 15-31232 (VFP) (the "Chapter 11 Cases"), and creditor/adversary proceeding plaintiff, Emergency Medical Consultants of South Jersey, LLC ("EMC") and JEMA Physician's Service, LLC ("JEMA"; together with EMC, the "Plaintiffs"; the Plaintiffs together with EOGH, the "Parties"), in an adversary proceeding pending before the United States Bankruptcy Court for the District of New Jersey, Adversary No. 16-01070 (VFP) (the "Adversary Proceeding") this Court finds and orders as follows:

RECITALS

A. On October 16, 2015, the Plaintiffs filed a complaint against EOGH, Emergency Medical Associates of New Jersey, P.A. ("EMA"), Prospect Medical Holdings, Inc. ("Prospect") and various individually named physicians and physician's assistants (the "Provider Defendants," and together with EOGH, EMA and Prospect, collectively, the "Defendants") in the Superior Court of New Jersey, bearing Docket No.: ESX-L-7258-15 (the "State Court Action").

B. On November 10, 2015 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in this Court, commencing their Chapter 11 Cases.

Debtor: East Orange General Hospital, LLC
Case No.: 15-31232 (VFP)
Adversary No.: 16-01070 (VFP)
Caption: STIPULATION AND CONSENT ORDER WITH RESPECT TO: (I) ESTIMATION OF THE PLAINTIFFS' PROOF OF CLAIMS FOR VOTING PURPOSES; (II) TREATMENT OF THE ADVERSARY PROCEEDING AFTER THE EFFECTIVE DATE OF THE PLAN; AND (III) RELATED RELIEF

C. On January 21, 2016, this Court entered an order [Case No. 15-31232; Doc. No. 330] authorizing and approving, among other things, the sale of substantially all of the Debtors' assets free and clear of liens, claims, and encumbrances (the "Sale") to Prospect EOGH, Inc. pursuant to the terms of an Amended and Restated Asset Purchase Agreement dated November 20, 2015, as amended.

D. On January 22, 2016, EMA, filed in this Court a Notice of Removal of State Court Action to the United States Bankruptcy Court (the "Notice of Removal") [Case No. 16-01070; Doc. No. 1], purporting to remove the prepetition State Court Action to this Court pursuant to 28 U.S.C. § 1334, 28 U.S.C. § 1452 and Bankruptcy Rule 9027.

E. On February 16, 2016, EMC filed a proof of claim against EOGH in the amount of "not less than" \$850,280.00 (the "EMC Proof of Claim").

F. On February 16, 2016, JEMA filed a proof of claim against EOGH in the amount of "not less than" \$554,170.00 (the "JEMA Proof of Claim"; together with the EMC Proof of Claim, the "Plaintiffs' POCs").

G. On March 16, 2016, the Debtors filed a Motion to Remand State Court Action to the Superior Court of New Jersey (the "Motion to Remand") [Case No. 16-01070; Doc 17].

H. On June 28, 2016, the Debtors and the Official Committee of Unsecured Creditors (the "Committee") filed a Joint Plan of Liquidation (the "Plan").

I. On July 8, 2016, the Committee filed the First Plan Supplement with the Proposed Liquidating Trust Agreement (the "Trust Agreement").

Debtor: East Orange General Hospital, LLC
Case No.: 15-31232 (VFP)
Adversary No.: 16-01070 (VFP)
Caption: STIPULATION AND CONSENT ORDER WITH RESPECT TO: (I) ESTIMATION OF THE PLAINTIFFS' PROOF OF CLAIMS FOR VOTING PURPOSES; (II) TREATMENT OF THE ADVERSARY PROCEEDING AFTER THE EFFECTIVE DATE OF THE PLAN; AND (III) RELATED RELIEF

J. On July 13, 2016, the Court entered the *Order (A) Conditionally Approving the Debtors' and Committee's Disclosure Statement, (B) Scheduling a Combined Hearing to Consider the Adequacy of the Disclosure Statement and Confirmation of the Plan, (C) Approving the Form and Manner of Notice of the Combined Hearing, (D) Approving the Form of Ballots, Solicitation Package and Voting Procedures and (E) Granting Related Relief* (the "Conditional Voting Procedures Order") [Case No. 15-31232; Doc. No. 715].

K. EMC, JEMA, the Debtors and the Committee have reached terms of settlement with respect to: (i) estimation of the Plaintiffs' POCs for voting purposes; and (ii) treatment of the Adversary Proceeding after the Effective Date of the Plan¹; and request entry of an order approving this stipulation (the "Stipulation").

STIPULATION

1. The foregoing Recitals are true and correct, and are incorporated into this Stipulation as if set forth herein and constitute material terms of the Stipulation.

Claim Estimation for Voting Only

2. The Plaintiffs' POCs shall be estimated for voting purposes only as follows:
- a. The EMC Proof of Claim shall be valued at \$850,280.00.
 - b. The JEMA Proof of Claim shall be valued at \$554,170.00.
3. Upon approval and entry of this Stipulation, EMC and JEMA, respectively, shall each cause a Class 5 Voting Ballot to be cast in favor of the Plan. If this Stipulation is entered after the Voting Deadline (as defined in the Conditional Voting Procedures Order), the Ballots

¹ Capitalized terms not defined herein shall have the meanings attributed in the Plan.

Debtor: East Orange General Hospital, LLC
Case No.: 15-31232 (VFP)
Adversary No.: 16-01070 (VFP)
Caption: STIPULATION AND CONSENT ORDER WITH RESPECT TO: (I) ESTIMATION OF
THE PLAINTIFFS' PROOF OF CLAIMS FOR VOTING PURPOSES; (II) TREATMENT
OF THE ADVERSARY PROCEEDING AFTER THE EFFECTIVE DATE OF THE
PLAN; AND (III) RELATED RELIEF

will be held in escrow until such time as this Stipulation is approved and entered, and shall be considered timely filed.

The Adversary Proceeding

4. Upon the Effective Date of the Plan, the Plaintiffs are permitted to move before the Court in the Adversary Proceeding to submit to mediation pursuant to the *General Order Adopting Mediation Program Pending Adoption and Amendment of Local Rules* dated November 20, 2013 and D.N.J. LBR 9019-1 and 9019-2, respectively. The GUC Trustee, as the successor to the Debtors' interests with respect to the Adversary Proceeding, shall not object to mediation of the Adversary Proceeding.

5. Upon the Effective Date of the Plan, the GUC Trustee and the Plaintiffs shall be authorized to take all steps necessary and appropriate to submit to mediation of the Adversary Proceeding without delay. For the avoidance of doubt, the interests of the Debtors' estates in the Adversary Proceeding and any mediation thereof shall be represented by insurance defense counsel for EOGH (if any has been appointed) and/or counsel for the GUC Trustee.

6. Notwithstanding anything to the contrary in the Plan or any Order later confirming the Plan, the Plaintiffs are not enjoined from prosecuting any claims related to or arising in the Adversary Proceeding and will not be deemed to have released any claims. The Debtors' estates and the GUC Trustee reserve all rights and defenses with respect to the Adversary Proceeding and the Plaintiffs' POCs.

7. Nothing herein shall be interpreted to limit, waive or otherwise bar recovery or claims against any non-Debtor party to the Adversary Proceeding.

Debtor: East Orange General Hospital, LLC
Case No.: 15-31232 (VFP)
Adversary No.: 16-01070 (VFP)
Caption: STIPULATION AND CONSENT ORDER WITH RESPECT TO: (I) ESTIMATION OF
THE PLAINTIFFS' PROOF OF CLAIMS FOR VOTING PURPOSES; (II) TREATMENT
OF THE ADVERSARY PROCEEDING AFTER THE EFFECTIVE DATE OF THE
PLAN; AND (III) RELATED RELIEF

Dated: August 16, 2016

**TRENK, DIPASQUALE,
DELLA FERA & SODONO, P.C.**

LOWENSTEIN SANDLER LLP

By: /s/ Joseph J. DiPasquale
Joseph J. DiPasquale
347 Mount Pleasant Avenue, Suite 300
West Orange, New Jersey 07052
(973) 243-8600 (Telephone)
E-mail: jdipasquale@trenklawfirm.com

*Counsel to the Official Committee of
Unsecured Creditors*

By: /s/ Gerald C. Bender
Gerald C. Bender, Esq.
65 Livingston Avenue
Roseland, New Jersey 07068
(973) 597-2500 (Telephone)
(973) 597-2400 (Facsimile)
E-mail: GBender@lowenstein.com

Counsel to the Debtors

WASSERMAN, JURISTA & STOLZ, P.C.

By: /s/ Donald W. Clarke
Donald W. Clarke
110 Allen Road, Suite 304
Basking Ridge, NJ 07920
Telephone: (973) 346-7604
Facsimile: (973) 467-8126
E-mail: dclarke@wjslaw.com

*Counsel to Emergency Medical Consultants of
South Jersey, LLC and JEMA Physician's
Service, LLC*